



General Assembly

January Session, 2007

Raised Bill No. 1214

LCO No. 3864

03864_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT CONCERNING INDIVIDUAL HEALTH INSURANCE POLICIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-485 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2007*):

3 (a) The insured shall not be bound by any statement made in an
4 application for an individual health insurance policy unless a copy of
5 such application is attached to or endorsed on the policy when issued
6 as a part thereof. If any such policy delivered or issued for delivery to
7 any person in this state is reinstated or renewed, and the insured or the
8 beneficiary or assignee of such policy makes written request to the
9 insurer for a copy of the application, if any, for such reinstatement or
10 renewal, the insurer shall, within fifteen days after the receipt of such
11 request at its home office or any branch office of the insurer, deliver or
12 mail to the person making such request, a copy of such application. If
13 such copy is not so delivered or mailed, the insurer shall be precluded
14 from introducing such application as evidence in any action or
15 proceeding based upon or involving such policy or its reinstatement or
16 renewal.

17 (b) No alteration of any written application for any such policy shall
 18 be made by any person other than the applicant without [his] the
 19 applicant's written consent, except that insertions may be made by the
 20 insurer, for administrative purposes only, in such manner as to
 21 indicate clearly that such insertions are not to be ascribed to the
 22 applicant.

23 (c) The falsity of any statement in the application for any policy
 24 covered by sections 38a-481 to 38a-488, inclusive, [may] shall not bar
 25 the right to recovery [thereunder] under such policy unless such false
 26 statement was made by an applicant who knew or reasonably should
 27 have known the statement was false and such statement materially
 28 affected either the acceptance of the risk or the hazard assumed by the
 29 insurer.

30 Sec. 2. (NEW) (*Effective October 1, 2007*) No individual short-term
 31 health insurance policy with a duration of six months or less issued or
 32 delivered in this state shall contain a preexisting conditions provision
 33 which excludes coverage based on medical treatment or services
 34 received more than twenty-four months prior to the effective date of
 35 the policy. Any preexisting conditions provision in such policy may
 36 only relate to conditions, whether physical or mental, for which
 37 medical advice, diagnosis, care or treatment was recommended or
 38 received during the twenty-four months immediately preceding the
 39 effective date of the policy, or conditions, whether physical or mental,
 40 which produced significant signs and symptoms such that an
 41 ordinarily prudent person would seek medical diagnosis or treatment
 42 during the twenty-four months immediately preceding the effective
 43 date of the policy.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	38a-485
Sec. 2	<i>October 1, 2007</i>	New section

Statement of Purpose:

To require that insurers demonstrate that an insured intended to materially misrepresent their health status on a health insurance policy application prior to denial of a claim or rescission of the policy and to protect consumers who purchase short-term health insurance policies by limiting preexisting conditions provisions.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]